

**OFFICIAL
DOCUMENTS**

CREDIT NUMBER 5648-CI

Financing Agreement

(Productive Social Safety Net Project)

between

COTE D'IVOIRE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 13 April, 2015

CREDIT NUMBER 5648-CI

FINANCING AGREEMENT

AGREEMENT dated 03 AUG, 2015, entered into between COTE D'IVOIRE ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to thirty-six million three hundred thousand Special Drawing Rights (SDR 36,300,000) (variously "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are May 15 and November 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the ME-MEASFP in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety days (90) days after the date of this Agreement.
- 4.02. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its Minister under the Prime Minister in charge of the Ministry of Economy and Finance, or his or her successor.
- 5.02. The Recipient's Address is:

Ministry of Economy & Finance
BP V 163
Abidjan
Côte d'Ivoire

Cable:	Facsimile:
MINFIN	225-20-30-25-25
Abidjan	225-20-30-25-28

5.03. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:

Facsimile:

INDEVAS
Washington, D.C.

1-202-477-6391

AGREED at *Abidjan, Côte d'Ivoire*, as of the day and year first above written.

COTE D'IVOIRE

By



Authorized Representative

Name: **Nialé KABA**

Title: _____

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: _____

Title: _____

SCHEDULE 1

Project Description

The objective of the Project is to provide cash transfers to poor households in selected regions and develop the foundations of a social safety net system in Cote d'Ivoire.

The Project consists of the following parts:

PART 1: Cash Transfer “Plus” Program Targeted to Poor Households

Carrying out activities to support targeted poor households in selected regions as part of a national social safety system through:

- (a) the provision in Phase 1 and Phase 2 of Cash Transfers to Beneficiaries to boost household consumption for purposes of developing, testing and refining operational instruments for the Project, including targeting, payment, registration and management information systems, and complemented by information campaigns, training of communities and policy makers, community participation and a grievance redress mechanism, all as specified in the Project Implementation Manual; and
- (b) the development and delivery of accompanying measures to promote investments in human capital and livelihoods, primarily through communication, training, community sensitization and coaching campaigns to encourage behavioral change, financial literacy and improved business productivity, using both existing initiatives and performance-based contracts with private providers and non-governmental organizations for the benefit of both Beneficiaries and non-Beneficiaries in selected areas, all as specified in the Project Implementation Manual.

PART 2: Developing the Foundations of a Social Safety Net System

Carrying out activities to develop the foundations of a national social safety net system for broader application under the framework of the National Social Protection Strategy, using the provision of Cash Transfers as a basis, through: (i) an efficient targeting system for identifying, certifying and adjusting beneficiaries using targeting protocols developed for Part 1(a); (ii) a social protection household registry of beneficiaries eligible for transfer programs; (iii) a secure, efficient, timely and reliable cash transfer payment system using one or more payment modes, as developed under a performance-based contract; and (iv) an accompanying management information system, along with relevant capacity building, that includes modules for targeting, registration and graduation, validation and

identification, monitoring and evaluation, accountability and control processes, and grievance redress; all as specified in the Project Implementation Manual.

PART 3: Project Management, Monitoring and Evaluation

Supporting Project management, coordination, monitoring and evaluation activities, including providing support to the Project Implementing Unit, to ensure effective Project implementation.

SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. Project Steering Committee

- (a) In order to ensure the proper oversight of the Project and coordination among the Recipient's Ministries and agencies responsible for the Project, the Recipient shall, not later than September 30, 2015, establish and maintain, throughout the period of implementation of the Project, with membership, functions and resources satisfactory to the Association, the Project Steering Committee, which shall be chaired at the ministerial level.
- (b) Without limitation upon the provisions of paragraph (a) above, the Project Steering Committee shall: (i) comprise the Chair and representatives of the Ministries in charge of Finance and Budget, Social Affairs, Education, Health and other agencies as needed; and (ii) be responsible for overseeing the Project, providing strategic guidance and advice to support Project implementation, and ensuring coordination of the Project among Ministries.

2. Project Implementation Unit

- (a) The Recipient shall, not later than September 30, 2015, establish and maintain, throughout the period of implementation of the Project, within the ME-MEASFP, the Project Implementation Unit, to be responsible for (i) day-to-day implementation of the Project; (ii) managing all Project activities; (iii) coordinating Project activities, including with existing ME-MEASFP district and community structures; (iv) maintaining Project accounts and producing financial reports; (v) monitoring, evaluating and reporting on Project implementation and impacts; and (vi) organizing Project Steering Committee meetings (the PIU).
- (b) Without limitation upon the foregoing, the Recipient shall, in accordance with the provisions of Section III of this Schedule 2, ensure that the PIU at all times during implementation of the Project maintains adequate resources and staff to implement the Project, satisfactory to the Association, including at a minimum the following staff to support the Project, whose qualifications, experience and terms of reference shall be satisfactory to the Association:
 - (i) not later than September 30, 2015, a Project coordinator, a financial management specialist, a procurement specialist, and an accountant;

- (ii) as soon as possible thereafter, an internal auditor, a monitoring and evaluation specialist, and a communications specialist; and
- (iii) such other technical specialists and functions as needed.
- (c) In addition to staff funded by the Project, the PIU staff shall include civil servants provided by the Recipient as proposed by the Recipient and subject to no objection by the Association.
- (d) During the first six (6) months following the Effectiveness Date, the PIU shall be supported by staff with financial management expertise from the existing Emergency Youth Employment and Skills Development Project specialists, as directed by the ME-MEASFP and agreed by the Association.

B. Implementation Arrangements

1. Project Implementation Manual. The Recipient:

- (a) has adopted the Project Implementation Manual in form and substance satisfactory to the Association and shall carry out the Project in accordance with the provisions of such manual containing detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) Project budgeting, disbursement, accounting, and financial management; (iii) procurement, including the role and mandate of the tender committee; (iv) monitoring, evaluation, reporting and communication; (v) performance indicators; (vi) Project impact evaluation and studies; (vii) modalities for Cash Transfers, including targeting, registration and identification of Beneficiaries, Cash Transfer procedures, accounting, documentation and information management; (viii) criteria for selecting, and terms of reference of, Payment Agencies; (ix) roles and responsibilities of entities supporting implementation; and (x) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; and
- (b) shall not assign, amend, abrogate or waive the Project Implementation Manual or any provisions thereof if, in the opinion of the Association, such assignment, amendment, abrogation or waiver will materially and adversely affect the implementation of the Project. Any amendments to the Project Implementation Manual shall be made with the prior written approval of the Association. In case of any conflict between the provisions of the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

2. **Annual Work Plan and Budget.** The Recipient shall:

- (a) prepare and furnish to the Association, not later than November 30 of each year during implementation of the Project, a consolidated Annual Work Plan and Budget for the following year including a detailed timetable for the sequencing and implementation of Project activities, including the roles of respective parties in implementation, such as the PIU and other implementing entities, and the types of expenditures required for such activities, along with a proposed financing plan for such expenditures;
- (b) exchange views with the Association on each such proposed Annual Work Plan and Budget, and thereafter carry out the program of activities for that year as shall have been agreed between the Recipient and the Association;
- (c) ensure that Training proposed for inclusion in the Project shall be included in an Annual Work Plan and Budget and shall include: (i) the objective, content and location of the Training envisaged; (ii) the selection method of the institutions or individuals conducting such Training, and said institutions if already known; (iii) the expected duration and an estimate of the cost of said training or workshops; (iv) the selection method of the personnel who will attend the Training, and said personnel if already known; and (v) the expected outcome and impact of the Training; and
- (d) not amend the Annual Work Plan and Budget without the Association's prior written approval.

3. **Mid-Term Review.** The Recipient shall:

- (a) not later than three (3) years after Effectiveness, and if possible prior to the second phase of Cash Transfers, undertake, through an independently recruited entity acceptable to the Association, as well as the Association's Project team, a comprehensive mid-term review and evaluation of the Project to assess and exchange views on all matters relating to the progress of the Project, the Recipient's performance of its obligations under this Agreement, and the performance of the various implementation bodies at the central, district and community levels; and
- (b) following the mid-term review, promptly and diligently take any and all corrective measures necessary to remedy any shortcoming noted in the implementation of the Project, or to implement such other measures as may be required in furtherance of the Project's objective.

C. Cash Transfers

1. The Recipient shall ensure that:

- (a) no Beneficiary shall be eligible to receive Cash Transfers unless the Recipient shall have determined, and a Payment Agency shall have

verified, that the Beneficiary has met the following requirements, and such further requirements as are elaborated in the Project Implementation Manual:

- (i) the Beneficiary has been pre-selected on the basis of a targeting system consisting of: (A) geographic targeting that has identified the regions and provinces where Cash Transfers will be provided; (B) a simplified proxy means test; (C) community validation of the final list of Beneficiaries within selected villages; and (D) categorical targeting including only households with children under the age of fifteen (15) years;
 - (ii) the Beneficiary has been duly registered under an open, transparent registration process and is enrolled in the registry of Beneficiaries; and
 - (iii) the Beneficiary has presented a valid identification document which shall be verified by a Payment Agency, as specified in the Project Implementation Manual; and
 - (b) the selection, registration and identification of Beneficiaries are conducted in an open and transparent manner, all in accordance with the provisions of this Agreement and the Project Implementation Manual.
2. The Recipient shall, prior to the provision of Cash Transfers in any given area, select and retain in accordance with Section III of this Agreement, one or more Payment Agencies, with qualifications, experience, and terms of reference acceptable to the Association, to issue Cash Transfers to verified Beneficiaries.
 3. The Recipient shall oversee the Cash Transfers in all selected districts as well as monitor and evaluate the activities of the Payment Agencies to ensure that payments are made in accordance with the terms, conditions and procedures contained in the Project Implementation Manual and in a manner consistent with the Project's objective. Payment mechanisms used for the Project shall be determined through competitive selections conducted for specific areas and may, for example, include banking services, postal transfers, electronic money transfers and mobile money transfers, as further elaborated in the Project Implementation Manual.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of performance indicators acceptable to the Association. Each Project Report shall cover the period of one calendar quarter and shall be furnished to the Association not later than forty-five days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association, not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.
4. In order to ensure the proper financial management of the Project, the Recipient shall, all in accordance with the provisions of Section III of this Schedule and all satisfactory to the Association:
 - (a) within two (2) months following the Effective Date, acquire and install accounting software for the Project and provide training for its users;
 - (b) within three (3) months following the Effective Date, cause the Ministry of Finance to assign one public accountant and one financial controller to the Project in compliance with Instruction 192;
 - (c) within three (3) months following the Effective Date, cause the ME-MEASFP to enter into a written agreement with the *Inspection General des Finances (IGF)* to manage the internal audit function of the Project and conduct periodic reviews of Project transactions; and
 - (d) within five (5) months following the Effective Date, appoint an external auditor for the Project.

Section III. Procurement

A. General

1. **Goods and Non-consulting Services.** All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding subject to the following additional provisions: the Recipient shall use the Association's standard bidding documents or other bidding documents which shall have been found acceptable to the Association prior to their use; (b) Shopping; and (c) Direct Contracting.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; and (f) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Cash Transfers under Part 1(a) of the Project for (a) Phase 1 and (b) Phase 2	(a) 1,500,000 (b) 22,500,000	100%
(2) Goods, non-consulting services, consultants' services, Training and Operating Costs under the Project, excluding Cash Transfers under Part 1(a) of the Project	11,200,000	100%
(3) Refund of Preparation Advance	1,100,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT	36,300,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) with respect to Eligible Expenditures under subpart (a) of Category (1), unless the principal elements for establishing the foundation of a national social safety net system using Cash Transfers as basis have been completed in a manner satisfactory to the Association, including: (i) a targeting system for Cash Transfers; (ii) a household registry; (iii) a payment system; and (iv) a management information system; and
 - (b) with respect to Eligible Expenditures under subpart (b) of Category (1), unless principal aspects of Phase 1 have been reviewed and any relevant adjustments thereto made in a manner satisfactory to the Association.
2. The Closing Date is October 30, 2020.

Section V. Other Undertakings

A. Counterpart Funds

Without limitation upon the provisions of Section 4.03 of the General Conditions, the Recipient has agreed to contribute an amount of CFA 2,500,000,000 as additional financing to support the Project ("Counterpart Funds"). The Counterpart Funds shall be included in the Annual Work Plan and Budgets and shall be made available to the Project in installments based on amounts and timing agreed with the Association.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each November 15 and May 15, commencing November 15, 2021 to and including May 15, 2053	1.5625

* The percentage represents the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
2. “Annual Work Plan” means an annual operation plan which lists Project activities and related budget to be carried out year by year.
3. “Beneficiaries” means a household which has been declared eligible to receive Cash Transfers in accordance with Section I.C.1. of Schedule 2 to this Agreement, and “Beneficiary” means any of the Beneficiaries.
4. “Cash Transfer” means the cash payment to be made to a Beneficiary referred to in Part I(a) of Schedule 1 to this Agreement, and “Cash Transfers” mean two or more such cash payments.
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
7. “Emergency Youth Employment and Skills Development Project” means the project described in the agreement between the Association and the Recipient for a grant in the amount of SDR 31,300,000 dated October 3, 2011.
8. “General Conditions” means the “International Development Association General Conditions for Credits and Grants” dated July 31, 2010.
9. “General Finance Inspector” means the “Inspection General des Finance” or “IGF” of the Recipient.
10. “Instruction 192” means the Instruction No. 192/MEF/CAB/DGBF/DAS-SDSD signed by the Minister of Finance on September 22, 2008, which established a partial use of country financial management systems and allows for the assignment of public accountant for, and a financial controller responsible for prior reviews of supporting documents for all payments related to, the Project.
11. “Ministry of State, Ministry of Employment, Social Affairs and Vocational Training” and “ME-MEASFP” each means the “*Ministère d’Etat, Ministère de l’emploi, des affaires sociales et de la formation professionnelle*”, the Recipient’s Ministry responsible for employment, social affairs and vocational training, and any successor thereto.

12. “Operating Costs” means reasonable cost of goods and non-consulting services required for the day-to-day implementation of the Project, incurred by the Recipient (which expenditures would not have been incurred absent the Project), including consumable materials and supplies, communications services (postage, telephone and internet), media and printing services, translation and interpretation services, office space rental and utilities, leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises, fuel costs, bank and insurance charges required for the Project, Payment Agency Fees, administrative support staff, and Project staff travel, lodging and per diems, but excluding salaries (including bonuses, fees and honoraria or equivalent payments) of officials of the Recipient’s civil service.
13. “Payment Agency” means a competitively selected financial institution, including banks, post office, credit union, microfinance institutions and mobile phone companies, and duly established and operating under the Recipient’s laws and regulations, for the purpose of making Cash Transfers to Beneficiaries.
14. “Phase 1” means the first phase of implementation during which a limited set of Beneficiaries are to receive Cash Transfers on a pilot basis for purposes of evaluating principal operational elements of the Project, including the household registry, targeting protocol, payment mechanisms and management information system.
15. “Phase 2” means the second phase of implementation during which an expanded set of Beneficiaries are to receive Cash Transfers following adjustments made to principal operational elements of the Project arising from the evaluation of such elements during Phase 1.
16. “Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on December 19, 2014.
17. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
18. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 8, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
19. “Project Implementation Manual” means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement to be approved by the Recipient.
20. “Project Implementing Unit” or “PIU” means the Project Implementing Unit (*Unité de Gestion du Projet (UGP)*) referred to in Section I.A.1(c) of Schedule 2 to this Agreement, as established by ministerial order (*Arrêté*) of the Recipient.

21. “Project Steering Committee” means the interministerial Project Steering Committee (*Comité Intersectoriel de Pilotage* (COPIL)) referred to in Section I.A.1(a) of Schedule 2 to this Agreement, as established by government decree (*Decret*).
22. “Training” means training, workshops, conferences, study tours, fellowships and scholarships conducted in the territory of the Recipient and abroad, including the reasonable and necessary incremental expenditures incurred on account of organizing or attending learning and knowledge dissemination events, including, fees for educational institutions; fees and allowances for resource persons; travel, board and lodging for resource persons and trainees; logistics and materials associated with conferences, seminars, workshops, study tours, fellowships and scholarships; and other training costs directly associated with the Project but excluding: (a) those provided through consulting services; and (b) salaries (including bonuses, fees and honoraria or equivalent payments) of officials of the Recipient’s civil service.